March 2007

Mission: to transform the health care system through information and technology to improve patient safety and health care quality, lower costs, and coordinate care.

In this issue:

1. HIT Reserve Fund Amendment Passes Senate Budget Committee
2. PHR Legislation Introduced in Congress
3. Comment Period Forthcoming on Health Care Privacy Requirements
4. MedPAC Assesses Alternatives to SGR
5. Indiana Releases Report on Serious Medical Errors
6. Study Finds that Quality Interventions Improve Care Processes in Community Health Centers
7. Texas, Kentucky Launch Websites to Compare Prices, Quality
8. CMS Extends Premier Hospital Quality Demonstration Project
9. Lawmakers, Consumers Support Health IT, but Legislation Unlikely
10. Leavitt unveils personalized medicine plan
11. Federal Panel Recommends Certification of PHRs Over Objections
12. IHI Promising Practice of the Month: Putting Donated Organs to Good Use

HIT Reserve Fund Amendment Passes Senate Budget Committee

A HIT Reserve Fund amendment sponsored by Senators Debbie Stabenow (D-MI), Sheldon Whitehouse (D-RI) and Russ Feingold (D-WI) passed last week as an amendment to the FY 2008 Budget Resolution markup in the Senate Budget Committee. The amendment would authorize the establishment of an HIT Reserve Fund within the budget to accommodate incentives or other support for the adoption of modern information technology to improve quality and protect privacy in health care, or provide for payments that are based on adherence to accepted clinical protocols identified as best practices. Without such a provision in the budget, future HIT legislation could be subject to a budget point of order in the Senate, which requires 60 votes to overcome.

PHR Legislation Introduced in Congress

Caucus co-chair Patrick Kennedy (D-RI) and Rep. Dave Reichert (R-WA) were joined by leaders from all corners of healthcare to introduce a new version of The Personalized Health Information Act (H.R. 1368) on March 2. The legislation is aimed at creating a public-private partnership to promote use of secure, transportable, and consumer-controlled personal health records and patient communication services for Americans. "Personal health records are a critical piece of the puzzle as we move forward in an effort to improve the quality and cost efficiency of the healthcare system in this country," said Congressman Kennedy. "This legislation will empower consumers to be better informed about their personal health while strengthening communication with their health care providers." The bill is supported by a wide range of organizations, including consumer groups such as the American Heart Association and Families USA; providers including the American Academy of Family Physicians and American Academy of Pediatrics; purchasers like the U.S. Chamber of Commerce and ERISA Industry Committee; and technology companies including Microsoft and Intel.

Comment Period Forthcoming on Health Care Privacy Requirements

John W. Loonsk, MD, Director, Office of Interoperability and Standards, Office of the National Coordinator for Health Information Technology, announced that the Healthcare IT Standards Panel's (HITSP) security and privacy work group has assembled a list of possible privacy requirements for three "use cases" chosen by the Department of Health and Human Services and approved by the American Health Information Community. The panel's next step is to complete the tasks of the use cases and plan a "requirements, standards selection and design document" by April 12. A public comment period on the selections then will take place from April 13 to May 3. The draft of privacy requirements will be posted on the American National Standards Institute's member Web site and will be made public once it is agreed upon and approved.

MedPAC Assesses Alternatives to SGR

This month, the Medicare Payment Advisory Commission (MedPAC) issued its recommendations to Congress proposing two alternatives to address mounting concerns over the Sustainable Growth Rate formula (SGR) that determines physician payments in Medicare. The SGR determines the annual update to the physician payment rate consistent with an expenditure target that is tied to growth in the gross domestic product. The SGR is widely considered to be flawed; it neither rewards physicians who restrain volume growth nor punishes those who prescribe excess voluntary services. The formula in current law also prescribes deep cuts to physician payments widely considered to be unrealistic. Each of the last two years, Congress has acted at the last minute to prevent cuts from being implemented. Without a change, Medicare payments to physicians in 2008 would fall by 10%.

MedPAC's first option would replace the SGR with a new model in which payments would be more closely linked to quality of care delivered, with the goal of encouraging collaboration among providers and an increased emphasis on preventive care. The

second option would modify the current formula to include regional or local spending targets that would increase the formula's sensitivity to regional differences and reward efficient use of resources. Members of Congress have expressed concern that MedPAC's report did not present a single recommendation; however, House Energy and Commerce Health Subcommittee Chairman Frank Pallone Jr., D-N.J. pointed out that the commission was asked to study alternatives and was not required to develop one clear solution. Another concern is the cost of implementing either option. The Congressional Budget Office has estimated a long-term fix to cost several hundred billion dollars over ten years.

Indiana Releases Report on Serious Medical Errors

On March 6, the Indiana State Department of Health released a preliminary report presenting information about serious medical errors occurring in Indiana healthcare facilities between January 1, 2006 and December 31, 2006. The 287 Indiana healthcare institutions that were required to submit data reported the occurrence of 77 serious medical errors during this time period. The top three most reported events were: (1) stage 3 or 4 pressure ulcers acquired after admission to the facility (23 reports or approximately 1 event per 160,000 hospital discharges); (2) retention of a foreign object in a patient after surgery or other invasive procedure (21 events or 1 event per 81,000 surgical procedures; and (3) surgery performed on the wrong body part (9 events or 1 event per 189,000 surgical procedures). The facilities were required to report on the occurrence of 27 events that are based on the National Quality Forum's list of Serious Reportable Events in Healthcare. The goal of the reporting system is to identify these serious events and use data to develop systems or processes that could prevent errors. Said Kathy Rapala, interim director of the Indianapolis Coalition for Patient Safety, "The statewide report provides valuable information that we can use to guide our patient safety actions." The state is still collecting 2006 data and the final report is expected to be released in August 2007.

Study Finds that Quality Interventions Improve Care Processes in Community Health Centers

A recent study in the New England Journal of Medicine finds that quality improvement interventions at 44 community health centers nationwide improved care for diabetes and asthma. The findings included a 21 percent increase in foot examinations for patients with diabetes and a 14 percent increase in the use of anti-inflammatory medication for patients with asthma. The researchers also studied the impact of interventions on care for hypertension and did not find any significant improvements for that condition; however, they did note overall improvements across the three conditions in screening, disease prevention, and disease monitoring and treatment.

The interventions involved teaching health center personnel quality improvement methods targeting care processes, such as the use of certain tests or medications, and

outcomes, such as control of high blood pressure. Though improvements were found in the process of providing care, the study did not show improvements in intermediate clinical outcomes for the diseases studied; however, the researchers suggest that the results concerning clinical outcomes may be underestimated due to the short-term focus of the study.

The study was sponsored by the Agency for Healthcare Research and Quality, the Health Resources and Services Administration, and The Commonwealth Fund.

Texas, Kentucky Launch Websites to Compare Prices, Quality

Texas has joined Wisconsin, New Mexico, Oregon, Washington, New Hampshire and several other states with a new resource to allow consumers to compare the prices of common procedures in the state's hospitals. The Texas Hospital Association (THA) launched a new website, Texas PricePoint, which includes charge data on the most common inpatient services, links to quality data, and general and contact information on all Texas hospitals. Through basic and advanced queries, users can request information on a single hospital or from several to allow comparisons. The site - which uses hospital-supplied data from the Texas Health Care Information Collection and the annual survey of hospitals, as well as the Centers for Medicare & Medicaid Services' Hospital Compare Web site and The Joint Commission - is operated under contract with WHA Information Center, a subsidiary of the Wisconsin Hospital Association. The data, updated quarterly, are not modified in any way by THA or its contractor.

Kentucky also has a new website that allows consumers to compare quality measures at the state's hospitals. Information on the website, healthdata.chfs.ky.gov, includes death rates from various procedures and the frequency of certain procedures that are frequently overused, such as Caesarean sections. The site also links to other sources of information about hospitals, including price information.

CMS Extends Premier Hospital Quality Demonstration Project

CMS has approved a three-year extension of the CMS/Premier Hospital Quality Incentive Demonstration (HQID), a national effort involving more than 250 hospitals. The project provides Medicare incentive payments to participating hospitals that deliver the highest quality of care, providing a testing ground to determine if financial incentives improve quality.

During the first three years of the project, only top-performing hospitals have been eligible for Medicare incentive payments. The three-year extension will test the effectiveness of two new models as well: Hospitals achieving a defined level of quality, or quality threshold; and hospitals making the most improvement in quality that also

achieve the quality threshold. The extension will continue to track hospital performance in the clinical areas of pneumonia, heart bypass, heart attack (acute myocardial infarction), heart failure, and hip and knee replacement. CMS has built into the extension the flexibility to add quality measures and clinical conditions in the fifth and sixth years. New mortality and patient safety measures are among those that may be included in the extension of the HQID project. According to official Year 2 results from the project, released in January, participating hospitals raised overall quality by 11.8 percent in two years in the five clinical areas studied.

Lawmakers, Consumers Support Health IT, but Legislation Unlikely

From iHealthBeat (3/21/07)

Health IT continues to have widespread support on Capitol Hill, but passing health IT legislation has dropped to a low priority, according to congressional aides of both parties, *Technology Daily* reports.

The aides on Monday at a congressional forum sponsored by the Erickson Retirement Communities said that time and money would be big obstacles to passing health IT legislation. Health committees are expected to be busy until the fall working to reauthorize the State Children's Health Insurance Program and several FDA programs, according to *Technology Daily* (Sternstein, *Technology Daily*, 3/26). In addition, some of the same issues that stymied a consensus health IT bill last year could affect any health IT bills this year, *Modern Healthcare* reports.

An Erickson-sponsored national poll released at the briefing found that nearly 70% of U.S. residents support electronic health record adoption, but the survey found a wide gap in who would use the technology. Fifty-six percent of those 65 and older said they would not routinely track their health care online using EHRs, while 63% of those under age 65 said they would use the technology (DoBias, *Modern Healthcare*, 3/26).

The survey, conducted in February, also found that U.S. voters are misinformed about the current level of EHR adoption. Sixty-four percent of registered voters surveyed said they thought most medical providers have fully adopted EHRs; however, studies show that only 10% to 20% of physicians and hospitals have EHRs.

Leavitt unveils personalized medicine plan

From UPI (3/23/07)

U.S. Department of Health and Human Services Secretary Mike Leavitt outlined a personalized healthcare initiative Friday. The project, which will encourage a

combination of gene-based medical care and health information technology, will "give us the ability to deliver the right treatment to the right patient at the right time -- every time," Leavitt said at the annual meeting of the Personalized Medicine Coalition.

The agency will encourage a move toward personalized medicine in a variety of ways, Leavitt announced. Initiatives include a review of healthcare privacy issues, the accuracy of genetic testing, and the public availability of federally funded research results.

President Bush's 2008 budget also includes funding for a national health information database that would link together existing sources of data, according to the agency, in addition to his call for every American to have an electronic health record by 2014. The American Health Information Community also pledged to develop health IT standards for including genetic test information on electronic health records.

Federal Panel Recommends Certification of PHRs Over Objections

The Consumer Empowerment Work Group of the American Health Information Community, an advisory panel to HHS, recommended that a process be established to certify personal health records (PHRs). PHRs are patient-controlled, patient-centered records of a person's health care, across providers. A certification process would establish minimum criteria for PHRs. Five members of the work group dissented from the recommendation, arguing that it is too early for the government to be setting guidelines for PHRs. Other work group members defended the recommendation, arguing that minimum standards for PHRs could protect consumers and spur use of the records.

IHI Promising Practice of the Month: Putting Donated Organs to Good Use

A unique collaboration to increase the number of available organs for waiting patients in the U.S., by redesigning the voluntary donor system, has created a new challenge: making sure there's an equally robust system on the hospital side to take advantage of the increase in donor organs. To read more, click here.

The House 21st Century Health Care Caucus thanks the following organizations for their contributions to this newsletter:

HIMSS (Healthcare Information and Management Systems Society) is the healthcare industry's membership organization exclusively focused on providing leadership for the optimal use of healthcare information technology and management systems for the betterment of human health. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. On the web at www.himss.org. (Items 1-5)

The Institute for Healthcare Improvement (IHI) is a not-for-profit organization leading the improvement of health care throughout the world. Founded in 1991 and based in Boston, MA, IHI is a catalyst for change, cultivating innovative concepts for improving patient care and implementing programs for putting those ideas into action. Thousands of health care providers participate in IHI's groundbreaking work. To find out more, go to www.ihi.org. (Item 12)

The National Quality Forum (NQF) is a private membership organization created to develop and implement a national strategy for healthcare quality measurement and reporting. NQF's mission is to dramatically improve quality of care. Its portfolio includes the endorsement of performance measurement consensus standards, educational programs for health care leaders on key environmental trends, and award recognition programs. NQF, a non-profit organization with diverse stakeholders across the public and private health sectors, was established in 1999 and is based in Washington, DC. NQF's Executive Institute works to assist healthcare leaders in making quality health care the key business strategy of their institutions and the healthcare enterprise overall. To find out more, go to www.qualityforum.org and www.NQFExecutiveInstitute.org. (Items 4, 6)